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Third Quarter Highlights:

(excluding extraordinary item in 1995)

- Net Income up 7% to \$232 million
- Fully Diluted Earnings Per Share up 7% to \$.61
- Cash Net Income Available to Common up 4% to \$329 million

Year-to-Date Highlights:

(excluding one-time expenses in 1995 and extraordinary items in 1995 and 1994)

- Net Income up 8% to \$650 million
- Fully Diluted Earnings Per Share up 1% to \$1.70
- Cash Net Income Available to Common up 3% to \$944 million

RJR Nabisco Holdings Corp. (NYSE:RN) today announced results for the three- and nine-month periods ending September 30, 1995.

Excluding an extraordinary item in the 1995 third quarter, the company said 1995 third quarter net income of \$232 million was 7 percent above net income of \$216 million in the comparable 1994 quarter. On the same basis, fully diluted net income per common share was \$.61 in the 1995 third quarter, up 7 percent from \$.57 per fully diluted common share recorded in last year's third quarter.

Per share results for the quarter and the year-to-date reflect the company's April 1995 1-for-5 reverse split of its common shares.

"Over the last several years, we have been building a platform for sustained future earnings growth. This has necessarily included significant debt repayment and balance sheet repair," said Charles M. Harper, RJR Nabisco's chairman and chief executive officer. "The completion of the platform-building process will take additional months, but we are pleased with the work so far. The quarter's results give a real indication of momentum in the tobacco businesses, where we've made major progress towards stabilization of domestic full-price share and resumed substantial volume growth in key international markets since the first quarter."

"As expected, investments made by our food business in significant new product and marketplace initiatives had an impact on their third quarter earnings performance. These investments are generating excellent response," said Mr. Harper.

RJR Nabisco's reported net income includes an after-tax extraordinary charge of \$16 million (net of minority interest) or \$.05 per fully diluted share, related primarily to the redemption by Nabisco of \$409 million of its debt, resulting in reported net income for the 1995 third quarter of \$216 million or \$.56 per fully diluted common share.

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Operating income in the 1995 third quarter was \$641 million, down 5 percent from 1994 third quarter operating income of \$678 million. Operating company contribution (operating income before amortization of trademarks and goodwill) was down 4 percent to \$800 million. Net sales were \$4.06 billion, a 2 percent increase from net sales of \$3.97 billion in the third quarter last year.

Cash net income available to common (net income before after-tax amortization of trademarks and goodwill and exclusive of extraordinary items) for the quarter was \$329 million, a 4 percent increase.

Nine-Month Results

For the first nine months of 1995, net income before one-time expenses in 1995 and extraordinary items in 1995 and 1994 was \$650 million, up 8 percent from net income of \$602 million in the comparable 1994 period. On the same basis, net income per fully diluted common share was \$1.70, up 1 percent from last year's comparable period.

RJR Nabisco's year-to-date reported results include: a \$67 million, or \$.20 per fully diluted common share, after-tax one-time expense related to debt exchanges and consent solicitations in the 1995 second quarter and after-tax extraordinary items of \$16 million (net of minority interest), or \$.05 per fully diluted share, related primarily to the redemption of debt by Nabisco in 1995 and \$145 million, or \$.48 per fully diluted common share, related to debt repurchase and retirement in 1994. Including these charges, RJR Nabisco's reported net income for year-to-date 1995 was \$567 million or \$1.45 per fully diluted common share compared to \$457 million or \$1.21 per fully diluted common share last year, a 20 percent increase on a per share basis.

Operating income for year-to-date 1995 was \$1.91 billion, down 4 percent from operating income of \$1.99 billion in the comparable period in 1994. Operating company contribution was down 3 percent to \$2.38 billion. Net sales for 1995 year-to-date of \$11.68 billion were up 3 percent compared to \$11.32 billion in same period last year.

Cash net income available to common for the nine months, excluding one-time charges and extraordinary items, was \$944 million, up 3 percent from the prior year.

Tobacco Results

For the third quarter of 1995, worldwide tobacco's net sales of \$2.02 billion were slightly ahead of the comparable 1994 period, although cigarette volume for the worldwide tobacco businesses declined 6 percent. Operating company contribution declined 3 percent to \$563 million from \$580 million in last year's third quarter.

Worldwide tobacco's contribution to cash net income available to common increased 12 percent to \$246 million.

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"Internationally, our key markets delivered a strong performance and we believe the volatility we re experiencing in certain export markets is showing signs of moderating," said Mr. Harper. "Domestically, major full-price brands have stabilized in general compared to last year."

For international tobacco, third quarter net sales of \$863 million were up 3 percent, reflecting improved pricing and product mix and volume growth in key Western European markets and favorable pricing in Asia. Overall, volume declined 5 percent due to continued weakness in Middle Eastern markets, and, the company noted that the prior year's quarter had been exceptionally strong in the Former Soviet Union.

International tobacco operating company contribution for the quarter was \$197 million, a 4 percent decline compared to last year's record third quarter performance of \$205 million. Profitability was up double digits in most major areas, except the export markets in the Former Soviet Union and the Middle East.

While the Former Soviet Union market has seen a resurgence in volume recently, indicating recovery from the introduction of new taxes earlier this year, comparisons are difficult against last year's extraordinary volume performance which was driven by distributors accelerating purchases in anticipation of new taxes. In the Middle East, volume and margins were affected by currency devaluations.

Western Europe and Asia continued strong operating earnings growth, with gains in those regions of 30 percent and 47 percent respectively. Western Europe benefited from volume growth and improved product mix combined with favorable pricing, particularly in Spain and France, and contributions from the recent acquisition of Rettig in Finland. Operating earnings in Asia improved due to favorable pricing.

"We continue to view international markets as the greatest opportunities for growth," said Mr. Harper. "The fundamentals are strong and we are seeing renewed momentum in the international tobacco business as we move through the fourth quarter."

The domestic tobacco business reported operating company contribution of \$366 million, 2 percent less than the same quarter last year due to higher marketing spending. Net sales of \$1.16 billion were down 2 percent compared to last year's quarter.

While domestic savings volume declined on quarter-to-quarter comparisons, the company's full-price volume remained essentially the same as last year's quarter. "We are seeing a strengthening of our full-price market share performance, a direct result of investments this year in consumer and trade programs," said Mr. Harper.

Camel showed gains in domestic market share and volume compared with the 1994 third quarter. Overall Camel volume was up 12 percent versus the prior year's quarter. Doral gained retail market share in the quarter, and although shipments were 3 percent lower than in the year-ago quarter, the brand's shipments increased 9 percent in year-to-date comparisons.

Year-to-date, operating company contribution for worldwide tobacco businesses declined 4 percent to \$1.65 billion from \$1.71 billion in

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the comparable 1994 period. Net sales for worldwide tobacco operations were \$5.74 billion, a 1 percent decline from \$5.77 billion in the first nine months of 1994, with a volume decline of 4 percent.

Food Results

Nabisco Holdings Corp., which released its third quarter and year-to-date earnings report yesterday, reported that its net income for the third quarter 1995, excluding an extraordinary item in 1995, increased 9 percent to \$71 million, up from \$65 million for the same period in 1994. On the same basis, Nabisco's earnings per share was \$.27 compared with a pro forma \$.28 per share in 1994. Nabisco's contribution to RJR Nabisco's cash net income available to common (net of minority interest) was \$93 million.

"Our food business showed strong worldwide sales, both for the quarter and the year-to-date," said Mr. Harper. "The international food business turned in a strong, double-digit earnings performance.

While food's domestic earnings declined versus the year-ago quarter, Nabisco has been investing heavily in new product initiatives, which are showing great success. In addition, pricing pressures also had an impact in two product categories important to Nabisco: nuts and biscuits."

Nabisco's results for the 1995 quarter are before a \$19 million after-tax extraordinary item related to the redemption of debt by Nabisco. Net income for the quarter after the extraordinary item was \$52 million, or \$.20 per share.

Operating company contribution for Nabisco, which is reported in both Nabisco and RJR Nabisco financial reports, decreased 8 percent to \$253 million from \$274 million in the third quarter of 1994. For the third quarter 1995, worldwide net sales increased 5 percent to \$2.04 billion, up from \$1.95 billion in 1994.

In domestic markets, operating company contribution of \$199 million was down 10 percent from \$222 million the prior year, primarily reflecting marketing investments and competitive conditions. Domestic sales rose 5 percent to \$1.47 billion, with sales growth driven by gains in the majority of Nabisco's key product categories and growing or stable market shares in 86 percent of its core businesses.

The Nabisco Biscuit Company, Nabisco's largest domestic operating unit, posted an 8 percent increase in sales, although operating profits showed the impact of the marketing investments as well as pricing pressures in some areas.

The company reported better-than-expected results from its breakfast snack initiative, growth in the SnackWell's franchise and strong response to new products in the A.1. steak sauce business and the LifeSavers business.

Nabisco International's operating company contribution in the third quarter increased 4 percent to \$54 million, led by strong performances in Spain, Latin America and Canada. Sales grew 5 percent to \$570 million, the result of the continued rebound in

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Brazil, strong performance in Spain and double-digit growth in Canada and Colombia.

Latin America, which represents nearly half of Nabisco's international business, showed solid growth in most countries. The Canadian business was strong across all biscuit and grocery product lines. In Spain, volume continued to grow in all franchises, including the key biscuit and dry dessert businesses.

Before the extraordinary item in the 1995 third quarter, Nabisco's net income for the first nine months of 1995 was \$198 million, up 34 percent from net income of \$148 million in the comparable period in 1994. Year-to-date earnings per share of \$.76 were up 15 percent compared to a pro forma \$.66 per share in 1994. After the extraordinary item, Nabisco's year-to-date net income was \$179 million or \$.69 per share.

Operating company contribution of \$785 million for the first nine months was up 3 percent from the \$764 million reported in 1994. Net sales of \$5.94 billion for the first nine months were up 7 percent from sales of \$5.55 billion in the prior year.

RJR Nabisco Holdings Corp. is the parent company of RJR Nabisco, Inc., an international consumer products company. RJR Nabisco's major holdings are R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco International, Inc., and an 80.5 percent interest in Nabisco Holdings Corp.

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RJR NABISCO HOLDINGS CORP.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Dollars in Millions, Except Per Share Amounts)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	1995	1994	1995	1994
NET SALES				
Tobacco-Domestic	\$ 1,156	\$ 1,179	\$ 3,355	\$ 3,495
-International	863	836	2,385	2,275
Total Tobacco	2,019	2,015	5,740	5,770
Total Food	2,044	1,951	5,944	5,552
Consolidated	\$ 4,063	\$ 3,966	11,684	11,322
OPERATING COMPANY CONTRIBUTION				
Tobacco-Domestic	\$ 366	\$ 375	1,122	1,156
-International	197	205	523	557
Total Tobacco	563	580	1,645	1,713
Total Food	253	274	785	764
Headquarters	(16)	(19)	(48)	(23)
Operating company contribution	800	835	2,382	2,454

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Amortization of trademarks and goodwill	(159)	(157)	(477)	(469)
Operating income	641	678	1,905	1,985
Interest and debt expense	(221)	(240)	(663)	(828)
Other (expense) income, net(A)	15	(38)	(140)	(81)
Income before income taxes	435	400	1,102	1,076
Provision for income taxes	190	184	483	474
Income before minority interest in income of Nabisco	245	216	619	602
Minority interest in income of Nabisco	(13)	-	(36)	--
Income before extraordinary item	232	216	583	602
Extraordinary item - loss on early extinguishments of debt, net of income taxes and minority interest	(16)	--	(16)	(145)
Net income	216	216	567	457
Less preferred stock dividends on a primary basis	34	33	99	98
Net income applicable to common stock	\$ 182	\$ 183	\$ 468	\$ 359
Net income per common and common equivalent share on a fully diluted basis (B):				
Income before extraordinary item (C)	\$ 0.61	\$ 0.57	\$ 1.50	\$ 1.69
Extraordinary item	(0.05)	--	(0.05)	(0.48)
Net income	\$ 0.56	\$ 0.57	\$ 1.45	\$ 1.21
Average number of common and common equivalent shares outstanding (in thousands)	329,918	330,334	329,603	304,593

(A) The nine months ended Sept. 30, 1995 amount includes \$103 million (\$67 million after tax, \$.20 per share on a fully diluted basis) of costs and expenses incurred in connection with the exchange offers and consent solicitations completed in June, 1995.

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(B) EPS reflects the 1-for-5 reverse stock split on April 12, 1995.

(C) If calculated on a primary basis, income before extraordinary item per common and common equivalent share amounted to \$.61 and \$.56 for the three months ended Sept. 30, 1995 and 1994, respectively, and \$1.48 and \$1.67 for the nine months ended Sept. 30, 1995 and 1994, respectively.

RJR NABISCO HOLDINGS CORP.
CASH NET INCOME AVAILABLE TO COMMON
(Dollars in Millions)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	1995	1994	1995	1994
CASH NET INCOME AVAILABLE TO COMMON ON A FULLY DILUTED BASIS:				
Tobacco-Domestic	\$ 182	\$ 142	\$ 534	\$ 447
-International	95	107	258	276
Less preferred stock dividends	(31)	(29)	(90)	(88)
Total tobacco	246	220	702	635
Total food	116	109	334	281
Less minority interest in cash net income of Nabisco	23	---	61	---
Total food, net of minority interest in cash net income of Nabisco	93	109	273	281
Headquarters (A)	(10)	(12)	(98)	---
Cash net income available to common	\$ 329	\$ 317	\$ 877	\$ 916

(A) The nine months ended Sept. 30, 1995 amount includes \$103 million (\$67 million after tax, \$.20 per share on a fully diluted basis) of costs and expenses incurred in connection with the exchange offers and consent solicitations completed in June, 1995.

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